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November 9, 2006

VIA COURIER

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
c/o Natek, Inc.
236 Massachusetts Avenue, NE
Suite 110
Washington, DC 20002

RE: Application of Citizens Communications Company and Commonwealth Telephone Enterprises, Inc., For Section 214 Authority to Transfer Control of Domestic and International Authorization, File No. ITC-T/C-20060929-00450, WC Dkt. No. 06-184

Dear Ms. Dortch:

Attached for filing on behalf of RCN Corporation ("RCN") is a reply to the Commonwealth/Citizens response to RCN's request that the International Bureau remove the above-referenced application in File No. ITC-T/C-20060929-00450 from streamlined treatment.

An original and nine (9) copies of this letter are enclosed. Please date-stamp and return the enclosed extra copy of the filing in the attached envelope. Questions regarding this filing may be addressed to the undersigned.

Respectfully submitted,

Michael W. Fleming
Brian McDermott

Counsel for RCN Corporation

A Professional Corporation

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**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of the Application of
Citizens Communications Company
and
Commonwealth Telephone Enterprises, Inc.
And Their Operating Subsidiaries,
For Grant of Authority Pursuant to
Section 214 of the Communications Act of
1934 and Section 63.04 and 63.19 of the
Commission's Rules to Complete a
Transfer of Control of Commonwealth
Telephone Enterprises, Inc., a Domestic and
International Carrier, to Citizens
Communications Company

File No. ITC-T/C-20060929-00450
WC Dkt. No. 06-184

**REPLY TO RESPONSE TO REQUEST TO REMOVE APPLICATION
FROM STREAMLINED PROCESSING**

RCN Corporation ("RCN"), by and through undersigned counsel, hereby files this Reply to the November 7, 2006 Response ("Response") filed by Commonwealth Telephone Enterprises, Inc. ("Commonwealth") and Citizens Communications Company ("Citizens," together "Applicants") in the above referenced proceeding. In their Response, Applicants essentially assert that the International Bureau ("Bureau") should not remove the Application from streamlined treatment because the concerns thus far raised by RCN through its public filings are not sufficiently related to Applicants' international operations.¹ Yet as Applicants concede, RCN has not yet filed its Petition to Deny. As RCN expects to timely file a Petition to

¹ Response at 4-5.

Deny, RCN respectfully renews its request that the Bureau remove the Application from streamlined processing to allow sufficient time for the Bureau to complete a review of RCN's forthcoming arguments.

As a preliminary matter, Applicants express concern that removal of the Application might cause undue delay, even though the Wireline Communications Bureau ("WCB") has already specifically denied Applicants' request for streamlined treatment. Applicants' apparent concern over expedience is particularly difficult to fathom given their public statements regarding Applicants' expected timing of the merger. On a conference call with investors on November 7, 2006 to discuss quarterly earnings, the Chief Executive Officer of Citizens Communications stated to the investment community that Citizens and Commonwealth did not expect to consummate the merger until "mid 2007." On the same day, the CEO of Commonwealth Telephone Enterprises, Inc. also said during his quarterly earnings call with investors that they expected to complete the merger in "mid 2007." That target deadline gives this Commission at least eight full months to complete its review of the Application.² Given these expectations, it is difficult to see why Applicants object to the additional time necessary to appropriately consider the claims of RCN and any other Petitioners; removal of the Application from streamlined processing notwithstanding, the Commission has ample time to complete its processing of the Applications within Applicants' stated timeframes.³

² Similarly, Applicants' suggestion that RCN's opposition to the merger is intended "solely for delay," Response at 6, is nonsense. There is no reason to think that the Commission would be unable to consider every one of RCN's objections to the transfer within the eight-month window that Citizens and Commonwealth already expect.

³ In their Response, Applicants also note that RCN has not yet filed its substantive objection to the Application, even though the due date for those filings has not yet passed. RCN's intends to timely file a Petition to Deny in both the International and Domestic dockets. Applicants' position that the Application should remain on streamlined treatment is therefore tantamount to asking the Commission to rubber-stamp the International Bureau Application without performing the review which the Commission is required by its own rules to do.

Apparently guessing at the nature of RCN's forthcoming Petition to Deny by reviewing RCN's *ex parte* submissions for "small clues as to the likely nature of its objections,"⁴ Applicants next suggest that they do not believe that RCN's concerns will rise to the level of the issues raised in the Commission's *UCN* decision. In that decision, the Commission refused to remove an application from streamlined treatment despite what Applicants consider to be a similar "competitive issue."⁵ Specifically, Applicants describe the *UCN* proceeding as one in which the intervenors argued that "the transaction might affect their ability to collect dial-around compensation from the transferors."⁶ At the outset, the suggestion that the issues are "similar" seems difficult to support; RCN's concerns relate to the impact of the merger on the public interest, not some unpaid compensation or failure to perform under a contract. RCN's concerns, which will be spelled out more thoroughly in its Petition to Deny, go to conduct by Commonwealth to stifle competition within its territory. Such concerns, which go to the very heart of the Commission's public review, are likely to be significantly exacerbated if the merger is permitted to proceed.

More fundamentally, since RCN hasn't yet filed its Petition to Deny, it would be difficult indeed for the Commission to even assess whether the issues raised in *UCN* are or are not similar "competitive issues." What is clear is that substantial disagreement exists over the public interest implications of a merger, which will result in a provider among the seven largest phone companies in the country. RCN merely requests that the Bureau delay disposition on the

⁴ Response at 2.

⁵ Response at 4. Interestingly, Applicants chose to support their argument with a case concerning streamlined treatment by the WCB. In the *UCN* proceeding, the procedural schedule gave the WCB 10 days to review the arguments opposing the transaction. No such window exists with the International Bureau.

⁶ Response at 4.

Application in order to allow the Bureau to participate in the meaningful review through a measured process, rather than one based on speculating over what issues RCN may raise.⁷

Stating that RCN's objection "is based on an issue relating to domestic rather than international competition," Applicants further apparently argue that the Bureau's review of the Application should be conducted completely independently from the WCB's investigation.⁸ That restriction makes little sense given that Applicants' markets and services include both domestic and international services and that such services are provided to captive customer bases. Moreover, Applicants themselves deliberately chose to file a *combined application for both international and domestic Section 214 authority*, with a single public interest statement applicable to the transfer of both licenses and no meaningful attempt to provide separate analyses of their international and domestic services. Having filed a combined Application, and thereby essentially conceding that substantial overlap exists between the issues raised in the domestic wireline and international wireline services under consideration, Applicants cannot now be heard to say that interested parties should only be permitted to oppose the combined Application in one Bureau and not the other.

The public interest standard that Applicants must satisfy before the Application can be granted is the same for the international license and the domestic license. If the transfer of control of the domestic license for the provision of domestic telecommunications services is not in the public interest, it is also not in the public interest to transfer control of the international license. Because the Applicants fail to satisfy the public interest standard, and because

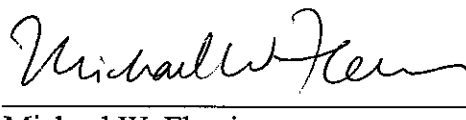
⁷ Applicants concede that they cannot close the proposed transaction without approvals from both the Wireline Competition Bureau and the International Bureau, and so essentially concede that they would be in no way prejudiced by the removal of the Application from streamlined processing.

Commonwealth's anticompetitive conduct demonstrates that approval of the merger is contrary to the public interest, the Commission has reason to deny both the international and the domestic Applications. Review of the transfer of the control of the federal licenses is not easily or reasonably segregated along the lines proposed by the Applicants.

Finally, Applicants assert that RCN must "be prepared to show 'good ground'" for characterizing Applicants' conduct as "anticompetitive." RCN agrees that the question of whether anticompetitive conduct is occurring and would be fostered by the proposed transaction is significant and worthy of close Commission scrutiny - scrutiny which simply cannot be accomplished within the bounds of the deadlines of the streamlined process.

In light of the foregoing, RCN renews its request that the Bureau remove the above-captioned Application from streamlined processing. Such removal is critical and necessary to ensure that a full opportunity to review the transaction proposed therein can be completed, as well as to allow the Bureau's ultimate consideration of the issues to be completed in coordination and on a similar timetable with the WCB's review.

Respectfully submitted,



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Dated: November 9, 2006

Counsel for RCN Corporation

CERTIFICATE OF SERVICE

I hereby certify that a copy of the attached Reply To Response To Request To Remove Application From Streamlined Processing were sent via first class mail, postage prepaid, and via electronic mail, on November 9, 2006 to:

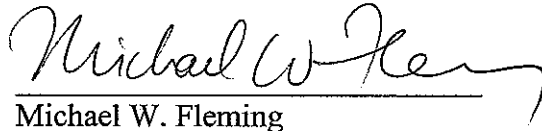
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The following were served a copy of the attached Reply via electronic mail:

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